IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Appeal No. (not yet assigned)	:
	:
In re Application of	:
	: Group Art Unit: 3629
NEREIDA MARIA MENENDEZ et al.	:
	: Examiner: Naresh Vig
Serial No. 09/698,491	:
	: Attorney Docket No. 285277-00015
Filed: October 27, 2000	:
	: Confirmation No. 6433
SYSTEM AND METHOD FOR COMPLETING A RENTAL AGREEMENT ONLINE	:

APPELLANTS' REPLY BRIEF

July 19, 2007

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Appellants' Reply Brief under 37 CFR § 41.41 is in reply to the Examiner's Answer, mailed on June 5, 2007, for the above-captioned application.

Under the Grounds of Rejection section of the Examiner's Answer (pp. 3-37), the Examiner's remarks appear to be a substantial copy of the Claim Rejections section from the Final Office Action, mailed on September 19, 2006. Hence, the following remarks are substantially directed to the Response to Argument section of the Examiner's Answer (pp. 37-38).

The Examiner takes the position (Examiner's Answer, page 37) that Appellants' disclosure "does not disclose that an agreement should be read as a contract".

This position is not well taken in view of the specification at page 15, lines 12-13 (***emphasis added***), which states that "[a] 'Print' button 110 permits the consumer to print the accepted rental ***contract***." Similarly, page 26, lines 32 and 33 of the specification (in connection with Figure 6L), recites (***emphasis added***) that "[t]he web page 484 further includes a 'Print' button 510 to permit the customer to print the final ***rental agreement***"). Furthermore, Figure 6L (***emphasis added***) shows that the very same print button 510 states

"print ***contract***"). Hence, Appellants' application, as filed, makes clear that the term "rental agreement" means the same as a "rental contract".

Next, the Examiner takes the position (Examiner's Answer, page 37) that Appellants do "not teach or recite that the [rental] agreement is legally binding on the parties entering into it."

As was discussed above, Appellants' application, as filed, makes clear that the term "rental agreement" means the same as a "rental contract". In addition, Webster's Third New International Dictionary, p. 43 (1993) (Appendix 2 of Appellants' Brief on Appeal (Appellants' Brief)) provides that the term "agreement" means "a contract ... legally binding on the parties entering into it – SEE CONTRACT, MEETING OF THE MINDS".

> [J]udges are free to consult dictionaries and technical treatises at any time in order to better understand the underlying technology and may also rely on dictionary definitions when construing claim terms, ***so long as the dictionary definition does contradict any definition found in or ascertained by a reading of the patent documents***.

Phillips v. AWH Corp., 415 F.3d 1303, 1314, 1322-23, 75 U.S.P.Q.2d 1321, 1326-27, 1334 (Fed. Cir. 2005) (***emphasis added***). Since Appellants' application makes clear that the term "rental agreement" means the same as a "rental contract", this Webster's dictionary definition does contradict any definition ascertained by a reading of the application. Furthermore, Appellants specification (page 26, lines 4-15) in connection with Figure 6K provides that:

> the "terms and conditions" web page 208, which includes a "Print" button 478 to permit the customer to print the displayed terms and conditions 479, a "Yes" or "Accept" button 480 to accept the rental agreement under those terms and conditions 479, and a "No" button 482 to reject the rental agreement (but keep the reservation). The text for the rental terms and conditions 479 preferably appears within a pop-up or scrolling text box, with any state specific disclosure appearing at the bottom of static terms and conditions text. By clicking on the object (i.e., selecting the "Yes" button 480), the customer accepts the rental terms and conditions and, thereby, includes them in the rental agreement. If the customer selects the "No" button 482, then the "reservation confirmation" web page 291 of Figure 6E is displayed. Otherwise, if the customer selects the "Yes" button 480, then the "rental confirmation" web page 484 of Figure 6L is displayed.

This disclosure (*e.g.*, "reject the rental agreement (but keep the reservation)") makes clear that Appellants' "rental agreement" is quite different than a reservation or a reservation confirmation.

The Examiner also takes the position (Examiner's Answer, pages 37 and 38) that "Hertz in view of Avis" teaches a "legally binding agreement when Hertz teaches that [the] customer has to agree to [a] penalty clause when making their rental with Hertz (see Hertz, page 33, line 14)".

Actually, the reference Hertz, which deals with a reservation having a penalty clause, does not teach or suggest any ***rental*** agreement (*i.e.*, a rental contract which is legally binding on the parties entering into it) arising from any acceptance of a rental proposal online. Instead, Hertz teaches and suggests that Hertz and the customer have to have a reservation agreement at the time of reservation to accept the penalty clause. See, for example, Hertz (page 67), which states that "[a]pproximate rental charges are based on available information at time of reservation. Additional fees or surcharges may be applied at time of rental."

It is, therefore, clear that there cannot be any "rental agreement" (*i.e.*, rental contract which is legally binding on the parties entering into it) because there is no meeting of the minds between Hertz and the user making the reservation as to an exact price for a rental. At best, there might be some unspecified price for a penalty since Hertz contemplates a guarantee or penalty if Hertz and the customer cancel the reservation and, thus, do not enter into a future rental agreement at the future time and place defined by the reservation.

The cases are legion in which courts have held that an "agreement to agree" upon a material term is not a contract. *See, e.g., Belitz v. Riebe*, 495 So. 2d 775, 776 (Fla. Dist. Ct. App. 5th Dist. 1986) (lack of deed restrictions as essential terms renders the contract indefinite, uncertain and incapable of specific performance); *Gregory v. Perdue, Inc.*, 267 S.E.2d 584, 586 (N.C. App. 1980) (essential and material terms, such as quantity, are required to constitute a valid contract); *Burgess v. Rodom*, 262 P.2d 335, 336 (Cal. App. 1953) (an "agreement to agree" lacking essential and material terms means there was never an agreement or purchase and sale); *Machesky v. Milwaukee*, 253 N.W. 169, 170 (Wis. 1934) (price is an essential term); *Sun Printing & Pub. Ass'n v. Remington Paper & Power Co.*, 139 N.E. 470, 471-72 (N.Y. App. 1923) (failure to agree on term as an essential element results, *prima facie*, in the failure of the contract; hence, the defendant is not bound).[1]

As to the Examiner's argument (Examiner's Answer, page 38) that "an agreement is not always a contract", Appellants have extensively dealt with the Examiner's citation of Black's Law Dictionary's definition (p. 62) of the term "agreement" on pages 13-

[1] Copies of these citations are of record in Appendix 4 of Appellants' Brief.

16 of Appellants' Brief. Appellants have never acknowledged that the recited term "rental agreement", when properly construed within the context of Appellants' claims, "is not always a contract" as was improperly concluded by the Examiner.

The question for the Board is not the meaning of the term "agreement" taken in the abstract or taken in view of Black's Law Dictionary in the approach taken by the Examiner. Instead, the proper construction of the claim term "rental agreement" is through the eyes of the "person of ordinary skill in the field of the invention"[2] when reading the claim term "rental agreement" in the context of the words of Appellants' claims[3] and/or when reading the claim term "rental agreement" in the context of the entire application, including the specification[4].

When properly construed using *Phillips*, the Black's Law Dictionary citation relied upon by the Examiner actually supports Appellants' position that "rental agreement" means the same as "rental contract" since it clearly states that the term "agreement" is "often used as synonymous with 'contract'" when it does not lack "an essential element of a contract". The Examiner points to no case where Appellants' "rental agreement" lacks an essential element of a contract.[5] Indeed, Claim 1 makes clear that there is an "acceptance of the proposal" since it recites "accepting said rental proposal online". Therefore, the Examiner errs in view of *Phillips*, since the Examiner's construction of "rental agreement" contradicts the definition ascertained by a reading of the patent documents.

Finally, the Examiner argues (Examiner's Answer, page 38) that Hertz "clearly teaches that there is a rental proposal [Hertz, page 67], that the rental proposal is accepted online [Hertz, page 69], and that a rental agreement is displayed 'based upon the accepted rental proposal['] [Avis, page 10]."

The references Hertz and Avis are dealt with extensively at pages 19-21 of Appellants' Brief. Hertz (pages 67-69) teaches or suggests making a reservation online. Hertz (page 5) (emphasis added) makes clear the difference between its "reservation" "at time

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[2] See, for example, page 13 of Appellants' Brief – Hertz favors the use of the term "rental agreement" over the term "rental contact" when contemplating a printed rental agreement.

[3] See, for example, page 14 of Appellants' Brief – Claim 1 recites, in pertinent part: "creating and displaying a rental proposal based upon said reservation and said rental-related information; accepting said rental proposal online; and displaying a rental agreement based upon said accepted rental proposal" to make clear that there is a rental proposal, and that the rental proposal is accepted online.

[4] See above and at pages 15 and 16 of Appellants' Brief.

[5] See, for example, the discussion of essential terms, such as subject matter, quantity and price at pages 17-18 of Appellants' Brief.

of reservation" and a printed "rental agreement" "at the time and place of rental". Clearly, Hertz contemplates an online reservation. A rental agreement only occurs later, when not ***online***, at the time (*i.e.*, "Pickup Date" and "Pickup Time" of Hertz, page 21) and place (*e.g.*, "Airport/OAG Code" of Hertz, page 21) of the rental. Although Hertz (pages 67-69) discloses that a user may make and secure a reservation online, a rental agreement is not taught or suggested until "at the time and place of rental," which does not occur ***online***.

Although Hertz (pages 33, 67-69) and Avis both disclose that a user may make and secure a reservation online, a rental agreement is not taught or suggested until "at the time and place of rental," which does not occur online. Hertz and Avis, whether taken alone or in combination, do not teach or suggest accepting a ***rental*** proposal online, much less displaying a ***rental agreement*** based upon such accepted rental proposal.

Avis, which discloses (pages 2-5, 8 and 9) an online reservation and (page 10) a reservation confirmation, adds nothing to Hertz regarding the refined recital of Claim 1. Avis discloses a reservation confirmation rather than displaying a ***rental agreement*** based upon an ***online*** accepted rental proposal. Avis merely teaches an online reservation confirmation and, later, while not ***online***, an Avis-honored charge card or an Avis Cash Pre-payment Card is "required at the beginning of the rental". Avis does not teach or suggest and, in fact, teaches away from display of a ***rental agreement*** based upon an ***online*** accepted rental proposal. Hence, Avis does not teach or suggest and adds nothing to Hertz regarding displaying a rental agreement based upon an online accepted rental proposal as was asserted by the Examiner.

Conclusion

Claims 1-21 and 25-73 are patentable over the prior art of record. Therefore, it is requested that the Board reverse the Examiner's rejections of Claims 1-21 and 25-73 and remand the application to the Examiner for the issuance of a Notice of Allowance.

Respectfully submitted,

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